



# State of Arizona Accounting Manual

Topic 25 Long-lived Resources Issued 12/07/15  
Section 51 Long-lived Resources Acquired by Gift, Confiscation, Escheat or Court Award Page 1 of 1

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## INTRODUCTION

Long-lived resources sometimes come into the possession and ownership of the State by means other than purchase or development, such as by gift, confiscation, escheat, or court award. This section of SAAM addresses the accounting treatment for such assets.

## POLICY & PROCEDURES

1. A long-lived resource received by the State as a result of a donation, confiscation, court-award, escheat or other non-purchase means should, if appropriate, be recorded on FAM at the time of its acquisition.
  - 1.1. If the fair market value is five thousand dollars (\$5,000) or more, it is a capital asset and must be assigned a property identification number and be recorded in FAM.
  - 1.2. If the resource is a stewardship resource or IT resource, it must be assigned a property identification number and be recorded in FAM.
  - 1.3. If the resource is not a stewardship or IT resource and has a fair market value of less than one thousand dollars (\$1,000), the agency may, at its discretion, either record and maintain the resource on an internal listing or record it in FAM.
2. The acquisition of such resources should be recorded using the appropriate revenue source and an expenditure object appropriate for the type of resource obtained.
3. The ancillary costs of bringing a donated, confiscated or court-awarded capital asset into service should be treated as betterments, as described in SAAM 2525.
4. In the case of a donated long-lived resource, any restrictions to which such resource may be subject should be recorded and the resource only used or disposed of in accordance with such restrictions.